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In the

Supreme Court of the United States

No. 543 October Term, 1949

Jiffy Lubricator Company

petitioner

v.

The Alemite Company

respondent

Petition for Re-Hearing under Rule 33(2) on Petition for Writ of Certiorari

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Petition for Re-Hearing

To the Honorable The Chief Justice and Associate Justices of the Supreme Court of the United States:

Your petitioner, Jiffy Lubricator Company, respectfully petitions for a re-hearing on its Petition filed January 14, 1950 for Writ of Certiorari which was denied on March 13, 1950.

In support of its present Petition for Re-Hearing, petitioner relies, inter alia, upon *Appendices A to D,* inclusive, annexed to petitioner's *Reply* Brief filed March 8, 1950 (which Appendices are here included by reference) and upon the 8th Circuit's decision in *Trico Products Co.* vs. *Delman Corp. et al,* decided March 8, 1950; F.2d (84 USPQ 416, 420).

Counsel's Certificate under Rule 33(2)

The undersigned, counsel for petitioner, hereby certify that the within Petition for Re-Hearing is presented in good faith and not for purposes of delay and that the Petition is limited to grounds not presented in the Petition for Writ of Certiorari as filed on January 14, 1950 nor otherwise previously presented except to the extent covered by petitioner's Reply Brief filed March 8, 1950.

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Grounds for Petition for Re-Hearing

Ground 1: The 8th Circuit overruled the jury's fact-finding of invention and held petitioner's Johnson patent in suit invalid upon its assumption that the invention which is the subject matter of Gullborg patent 1,307,734 revolutionized the lubricating equipment industry or, in other words, was a pioneer patent, and such matter had not been tried in the Court below and such revolutionary appearance was *falsely* created by illegal practices of respondent's privies, in cooperation with respondent, which may come within this Court's condemnation in *Hazel-Atlas*

Glass Co. vs. *Hartford Empire Co.,* 322 U.S. 238 and *Precision Instrument Mfg. Co.* v. *Automotive Maintenance Mach. Co.* 324 U.S. 806, and the 8th Circuit's decision in the case at bar tends both to condone and to place a high reward upon the specific practices theretofore held illegal in *Stewart-Warner* vs. *Staley* 42 F.Supp. 140, by holding the Johnson patent here in suit invalid for the benefit of a piratical infringer, upon an unpleaded defense tainted with and permeated by, if not indeed squarely bottomed on, such illegal practices.

Ground 2: The recent (March 8, 1950) decision of the 8th Circuit in *Trico Products Corp.* vs. *Delman Corp. et al* F.2d (84 USPQ 416, 420) now shows that the 8th Circuit has fundamentally changed its standard of invention and its *law of invention* between

1) its decision in *Stewart-Warner* vs. *Jiffy Lubricator Co.* 81 F.2d 786 (which supports the jury's fact-finding of invention in the case at bar)

and

2) its decision in the case at bar as to which certiorari is sought,

and that such change in the standard or in the law of invention made by the 8th Circuit is in conflict with the 7th, 6th and 1st Circuits and is one which should be reviewed by this Court, inter alia, in order to resolve such conflict and to avoid another 17 years of patent litigation in an industry heretofore illegally monopolized by 19 years of unwarranted Alemite litigation.

Authorities relied upon by Petitioner in support of its Petition for Re-Hearing

Authorities relied on as to Ground 1:

Hazel-Atlas Glass Co. v. *Hartford-Empire Co.,* 322 U.S. 238

Precision Instrument Mfg. Co. v. *Automotive Maintenance Mach. Co.* 324 U.S. 806

Stewart-Warner vs. *Staley* 42 F.Supp. 140 (DC WD Pa.)

Authorities relied on as to Ground 2:

Trico Products Corp. vs. *Delman Corp. et al* (**8 Cir.**) F.2d (84 USPQ 416, 420), **decided March 8, 1950**

Falkenberg vs. *Bernard Edward Co.* (**7 Cir.**) 175 F.2d 427, **decided June 21, 1949** and certiorari denied on November 7, 1949 at U.S. (94 L.Ed 70)

Brown & Sharpe Mfg. Co. vs. *Kar Engineering Co.* (**1 Cir.**) 154 F.2d 48, **decided March 14, 1946** and certiorari denied on June 10, 1946, at 328 U.S. 869

Trabon Engineering Co. vs. *Dirkes et al* (**6 Cir.**) 136 F.2d 24, **decided June 4, 1943**

Matters submitted in support of the Grounds of the Petition for Re-Hearing

Ground 1:

The practices which have created the wholly false appearance as to the status in the art of Gullborg patent 1,307,734, upon which status the 8th Circuit predicated its decision at bar, are but exemplified by aforementioned *Appendices A*, B[2], C[3] & D[4].*

In Stewart-Warner Corp. vs. *Staley,* 42 F. Supp. 140 (DC WD Pa) the Court ruled that these very practices and other practices contributing to the false status of the Gullborg patent erroneously relied on by the 8th Circuit in the case at bar (all of which practices petitioner was ready to prove and would have proved in the case at bar had the Gullborg patent been relied upon) constituted violations of the anti-trust laws and unfair competition.

Are not the practices exemplified by *Appendices A*, B[2], C[3] and D[4]* also a fraud upon the Courts?

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* "paid various defendants in patent suits brought by plaintiff, substantial sums of money and other valuable considerations not to defend such suits or to forego further appeals therein, in order to obtain favorable judgments therein which might be cited as precedents in other patent litigation, without apprising the court of the payment made by the plaintiff in such suits to obtain such judgments" (42 F. Supp. 140)

2 Alemite's letter explaining its $200,000.00 payment to petitioner in *Adams* vs. *Bassick* 285 U.S. 531

3 "consent decrees" signed by jobbers without any suit filed

4 "settlement agreements" explaining "consent decrees"

It is respectfully submitted that if a patent is to be held invalid because of fraud practiced in the obtaining of the patent, as in the *Precision Instruments Co.* case, *supra*, then, a fortiori, a defense to the validity of the patent in suit should not be sustained where the defense is permeated and indeed created by illegal practices of the defendant (*Stewart-Warner* vs. *Staley, supra*); particularly where such defense was neither pleaded nor tried below nor urged in the Court of Appeals.

In view of the serious nature of these matters and in view of this Court's decisions in the *Hazel-Atlas* and *Precision Instrument* cases, supra, and not knowing whether this Court's denial of certiorari in the case at bar may have been based upon the fact that these matters were not in the Petition itself (but only in the Reply Brief), petitioner takes this opportunity to call these matters to the Court's attention by the present petition for re-hearing.

Moreover, in view of the 8th Circuit's reliance upon the Gullborg patent and upon its presumed pioneer character, petitioner should be given an opportunity to prove the *true* status and significance of the Gullborg patent before its Johnson patent is held invalid thereon, as such Gullborg patent was neither pleaded nor ever relied upon in either Court below.

Ground 2:

In *Trico* vs. *Delman*, supra, the 8th Circuit has now made it clear that it is presently applying and *has in the case at bar applied* a substantially different law of invention and higher standard of invention than it formerly applied in *Stewart-Warner* vs. *Jiffy Lubricator Co.* 81 F.2d 786 "for determining whether patented improvements of practical value and which have met with commercial success involve invention or only mechanical skill", and predicated its fundamental change in the standard of invention or in the law of invention upon this Court's decision in *Cuno Engineering Corp.* vs. *Automatic Devices Corp.* 314 U.S. 84, and in so doing interpreted this Court's decision

in the *Cuno* case in a way which is patently in conflict with the interpretation given to the *Cuno* decision by other Circuits, in the following cases:

Falkenberg vs. *Bernard Edward Co.* 175 F.2d 427 (7 Cir.) decided on June 21, 1949 and certiorari denied on November 7, 1949 at U.S. (94 L.Ed. 70)

Brown & Sharpe Mfg. Co. vs. *Kar Engineering Co.*, 154 F.2d 48 (1 Cir.) decided on March 14, 1946 and certiorari denied on June 10, 1946 at 328 U.S. 869

Trabon Engineering Co. vs. *Dirkes et al* 136 F.2d 24 (6 Cir.) decided on June 4, 1943

While the 8th Circuit in the recently-decided *Trico* case, supra, and this Court in the *Cuno* case *merely affirmed* the District Court's fact-finding of non-invention, in the case at bar the 8th Circuit *reversed* the jury's fact-finding of invention concurred in by the trial Judge, where the trial Judge had expressly instructed the jury in this Court's language in its *Cuno* decision and where such fact-finding of the jury was concurred in by the trial Judge and was wholly in harmony with and supported by the 8th Circuit's earlier (1936) decision between the parties in *Stewart-Warner* vs. *Jiffy* 81 F.2d 786.

In *Falkenberg* vs. *Bernard Edward Co.*, 175 F.2d 427 (decided June 21, 1949), the Court of Appeals for the 7th Circuit held that this Court's "flash of creative genius" test (which test the jury was expressly instructed to apply in the case at bar) did *not* change the law of patents in respect to the fundamental question as to what degree or margin of difference over the prior-art constitutes "invention". In so holding, the 7th Circuit is in harmony with the 1st Circuit's decision in *Brown & Sharpe Mfg. Co. et al* vs. *Kar Engineering Co., Inc.*, 154 F.2d 48, 51 and also with the 6th Circuit's decision in *Trabon Engineering Corp.* vs. *Dirkes et al*, 136 F.2d 24, 27, as will be seen from the following quotations from the 7th Circuit's decision in the recent *Falkenberg* case:

"Plaintiff is the owner of U. S. Letters Patent No. 2,409,425 pertaining to drapery mountings. . . . (175 F.2d 427). The usual defenses of invalidity and non-infringement are presented.

"The trial court made a finding that

> 'plaintiff's hanger was novel, presented a genuine improvement to the drapehanging trade, and had remarkable public acceptance.'

"The court said

> 'Under the state of the law as it formerly existed, these elements would probably combine to produce patentable invention.'

"However, the trial court held that there was absent *a flash of genius* as described in *Cuno Engineering Corp.* v. *Automatic Devices Corp.*, 314 U.S. 84, and, after quoting from that case, concluded:

> 'Therefore, Claims 14 and 15 of Patent No. 2,409,425 are declared invalid for lack of invention. . . .'

"It is apparent the trial court felt that as a result of the *Cuno* decision something new had been added by the Supreme Court to the test to be applied in determining invention. Indeed other courts have been of the same opinion. In *Brown & Sharpe Mfg. Co. et al.* v. *Kar Engineering Co., Inc.*, D. C., 59 F.Supp. 820, page 825, the trial court said:

> 'If it were not for *Cuno Engineering Corporation* v. *Automatic Devices Corporation* . . . and the line of authority which it has engendered, see, for example, *Anderson Co.* v. *Lion Products Co.*, 1 Cir. 127 F.2d 454, I should, on the basis of the considerations set forth in the preceding paragraph, have concluded that Bower had made a patentable invention. But I cannot see how such a conclusion can stand in the light of the changed standards prevailing since the

recomposition of the Supreme Court of the United States. . . .

'Tested by the rules enunciated by Mr. Justice Douglas in *Cuno's* case, I conclude that claims 1, 5, 7 and 14 of the Bower patent are invalid. . . .'

"The use of the term, 'flash of creative genius,' was unfortunate and met widespread surprise and criticism. For example, see the decision of this court in *Chicago Steel Foundary Co.*, 7 Cir., 132 F.2d 812. Even the Court of Appeals for the First Circuit, reversing its former adherence to that view, said on the appeal of the *Brown & Sharpe* case, 154 F.2d 43, 51, after citing the opinion of the district court heretofore quoted:

'The foregoing squarely presents us with the question whether the Supreme Court in the *Cuno* case intended to establish for the future a new and higher standard of invention than had prevailed in the past.'

"Citing a number of cases in which that question had been considered, the appellate court analyzed whether the flash of creative genius phrase had added a new or higher test of invention, and concluded that all the Supreme Court had intended in the *Cuno* case was a restatement of the traditional test. The Court held that its earlier view to the contrary was a mistake.

"In *Trabon Engineering Corp.* v. *Dirkes et al*, 136 F.2d 24, the Court of Appeals for the Sixth Circuit reversed a holding of invalidity by the district court, and in discussing the flash of genius concept stated, 136 F.2d at page 27:

'. . . We do not interpret the observation as indicating anything more significant than that the quality of invention is "something more" than expected mechanical skill. Nor do we read the phrase as another conscious effort to define the indefinable.'

"We hold that the trial court herein erred in construing the phrase, '*flash of genius,*' as adding a test for invention of a higher degree or superior to that which would have produced patentable invention under the law as it existed prior to the date of the *Cuno* decision. As we have done heretofore (*Chicago Steel Foundry Co.* v. *Burnside Steel Foundry Co.*, supra) we reject the flash of genius test." (175 F.2d 428-9)

. . . . . .

". . . Since we feel that 'state of the law' has not changed, the trial court's finding that these elements would probably combine to produce patentable invention under the state of the law formerly existing is tantamount to a finding of patentable invention.

"A long line of cases could be cited holding that the determination of patentable invention is a question of fact; however, other courts have dealt with the issue as though it were a question of law. A citation of such authorities would not be helpful in view of the recent decision of the United States Supreme Court in *Graver Tank and Mfg. Co., Inc. et al* v. *Linde Air Products Co.*, 336 U.S. 271. In that case Justices Black and Douglas, in a concurring opinion, stated that it is their view that the ultimate question of patentability is a question of law. However, the majority opinion specifically applies Rule 52(a), Federal Rules of Civil Procedure, 28 U.S.C.A., and states, 336 U.S. at page 275:

> '. . . A court of law, such as this Court is, rather than a court for correction of errors in fact finding, cannot undertake to review concurrent findings of fact by two courts below in the absence of a very obvious and exceptional showing of error.'

"And, further, 336 U.S. on page 279:

> '. . . But the record in this case, while not establishing to a certainty that the findings are right, fall far short of convincing us that they are clearly

erroneous. We think that the rules that govern review entitle the trial court's conclusions to prevail and that the process claims are invalid under the statute.'" (175 F.2d 430)

The 8th Circuit in its recent (March 8, 1950) decision in *Trico Products Corporation* vs. *The Delman Corporation et al* (F.2d) expressly held that not only in that case but also *in the case at bar* (i.e. *Alemite* vs. *Jiffy*, 176 F.2d 444) it had given an interpretation to this Court's "flash of creative genius" test of the *Cuno* case (314 U.S. 84) different from that given to it by the 7th, 1st and 6th Circuits in the *Falkenberg*, the *Brown & Sharp* and the *Trabon* cases, supra, as will appear from the following quotation from the 8th Circuit's recent decision in the *Trico* case:

"Sanborn, Circuit Judge.

"The important question for decision in these cases is whether the determination by the District Court that (the) claims . . . . . are void for want of invention, is clearly erroneous.

. . . . . .

"The issues were tried to the District Court without a jury.

. . . . . .

"The District Court determined that, under the evidence and the applicable law, while infringement was apparent if the claims in suit were valid, they were not valid, because the subject matter of the claims involved neither invention nor discovery but only mechanical skill. The court dismissed the plaintiff's complaints.

. . . . . .

"The question whether an improvement involves merely mechanical skill or the exercise of the faculty of invention is a question of fact, and a finding either way upon that question by a trial court is,

under Rule 52(a) of the Rules of Civil Procedure for the United States District Courts (28 U.S.C.A.), conclusive on appeal unless clearly erroneous. (citing authorities)

. . . . . .

"It is our opinion that the conclusion reached by the District Court was, at least, a permissible one and in substantial accord with the decision of the Supreme Court in *Cuno Engineering Corp.* v. *Automatic Devices Corp.*, 314 U.S. 84 and with the recent decisions of this Court in *Frank Adams Electric Co.* v. *Colt's Patent Fire Arms Mfg. Co.*, 148 F.2d 497; *Koochook Co. Inc.* v. *Barrett*, 158 F.2d 463; *Hall Laboratories, Inc.* v. *Economics Laboratory, Inc.*, 169 F.2d 65; **Alemite Co. v. Jiffy Lubricator Co., 176 F.2d 444** and *Miller* v. *Tilley*, 178 F.2d 526. **It is, no doubt, true that this Court is applying higher standards than it formerly did for determining whether patented improvements of practical value and which have met with commercial success involve invention or only mechanical skill.** Compare, *G. H. Packwood Mfg. Co.* v. *St. Louis Janitor Supply Co.*, 8 Cir., 115 F.2d 958 with *Frank Adam Electric Co.* v. *Colt's Patent Fire Arms Mfg. Co., supra*, 148 F.2d 497. **The Supreme Court has, we think, raised the standards of originality necessary to sustain patents for improvements** such as those involved in the instant cases, **regardless of their usefulness or commercial success.** Compare, *Eibel Process Co.* v. *Minnesota & Temco Electric Motor Company* v. *Apco Manufacturing Company*, 275 U.S. 319 with **Cuno Engineering Corp. v. Automatic Devices Corp.**, supra, 314 U.S. 84.

"The judgment appealed from is affirmed."

In view of the 8th Circuit's clear-cut acknowledgment in its recent decision in the *Trico* case, supra, that it has recently raised its standard of invention or changed its law of invention in reliance upon this Court's decision in the *Cuno* case and was presently applying and *has in*

the case at bar applied a law of invention substantially different or a standard of invention substantially higher than it formerly applied, it is respectfully submitted that the 8th Circuit has made such a shift in the fundamental law of patents as to create confusion and uncertainty both for trial Judges as well as for litigants, particularly in view of the above-cited decisions of the 7th, 1st and 6th Circuits, all construing this Court's decision in the *Cuno* case as *not* changing the law of invention or the standard of invention. Indeed, in the above-cited decisions, the 7th, 1st and 6th Circuits reversed the District Court's fact-findings of non-invention which had been based upon this Court's supposedly different and higher standard of invention claimed to have been promulgated in the *Cuno* case, while in the case at bar the 8th Circuit reversed the jury's fact-finding of invention in reliance upon this Court's *Cuno* decision, while in the still more recent *Trico* case the 8th Circuit affirmed the District-Court's fact-finding of non-invention also upon this Court's *Cuno* decision;—the 8th Circuit disagreeing and being patently in conflict with the 7th, 6th and 1st Circuits as to the construction or interpretation to be placed upon this Court's "flash of creative genius" test in its *Cuno* decision.

Thus, if a jury expressly instructed to apply this Court's "flash of creative genius" test of the *Cuno* case makes a fact-finding of invention in the case where the patent in suit is admittedly not anticipated by the prior-art and the trial Judge concurs in such fact-finding of invention and the Appellate Court reverses such fact-finding of invention even though such fact-finding is entirely in harmony with and supported by, if not indeed required by, the same Appellate Court's earlier decision in *Stewart-Warner* vs. *Jiffy*, 81 F.2d 786, and such reversal of the jury's fact-finding of invention is based upon this Court's supposedly new, different and higher standard of invention claimed to have been promulgated in the *Cuno* case, then there has been such a fundamental shift in the law of patents as it relates to

the all-pervading question of invention, as to make any and all fact-findings of invention by jury and/or trial Judge, meaningless.

Conclusion

The lubricating equipment industry, to which the Johnson patent here in suit relates, has for nineteen years (1920 to 1939) been racked and suppressed by Alemite patent litigation and Alemite-inspired patent litigation, the extent and character of which has not been equalled or even remotely approached in any other industry.

This has now been followed by Alemite's piracy of what it announced to the world as the greatest contribution to the lubricating equipment industry in a decade, i.e. the multi-jawed chuck type hydraulic coupler covered by the Johnson patent here in suit.

It is now poised to launch its new campaign of patent-litigation based upon the much junior Alemite-owned Campbell patent 2,486,133 as indicated in *Appendix F* annexed to petitioner's Reply Brief, which Campbell patent is item 46 in *Appendix E* and is shown in *Appendix G* annexed to petitioner's Reply Brief.

Therefore, not only to resolve the patent conflict between the 8th Circuit, on the one hand, and the 7th, 1st and 6th Circuits, on the other hand, as to the "flash of creative genius" test of the *Cuno* case, but also to avoid further extensive patent litigation in the same industry, certiorari should be granted in the case at bar.

Thus, if the 8th Circuit's interpretation of the "flash of creative genius" test is correct, this Court should now say so, so that the industry as a whole, as well as the trial courts which will be called upon for the next seventeen years to render further decisions in patent litigation in this industry, may know what the law of invention is.

If upon grant of certiorari this Court should hold that the 8th Circuit's interpretation of the "flash of

creative genius" test of the *Cuno* case is correct, there will be no need for further patent litigation in this industry, because, by that test, the Alemite-owned Campbell patent 2,486,133, above referred to will, no doubt, not be asserted.

If, on the other hand, this Court should hold, upon a grant of certiorari in the case at bar, that the 8th Circuit's interpretation of the "flash of creative genius" test of the *Cuno* case is erroneous and that the contrary interpretation of the 7th, 1st and 6th Circuits is correct, then, no doubt, there will likewise be no need for further litigation, because patents will, no doubt, be respected throughout the industry without resort to litigation.

If, however, this Court fails to grant certiorari in the case at bar, the industry faces another 17 years of Alemite patent-litigation, because in the face of the conflict between the 8th Circuit, on the one hand, and the 7th, 1st and 6th Circuits, on the other hand, neither the industry nor the trial courts have any guide-post as to *the law of invention,* and again confusion will reign in this industry as it did from 1920-1939;—confusion which has heretofore been capitalized by Alemite and Stewart-Warner in illegally monopolizing the industry (*Stewart-Warner* vs. *Staley,* 42 F.Supp. 140) for its own sole enrichment.

Therefore, petitioner prays for a re-hearing on its Petition for Writ of Certiorari and in respect to this Court's order of March 13, 1950 denying such Petition;—to the end that this Court may grant certiorari in the case at bar.

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